Supreme Court, U.S.
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No. 99 - 469

IN THE
SUPREME COURT OF THE UNITED STATES

KARAVAN TRAILERS, INC.,
Petitioner,

v.

MIDWEST INDUSTRIES, INC.
Respondent.

On Petition for Writ of Certiorari
To The United States Court of Appeals
for the Federal Circuit

Amicus filing Supporting Petition for Certiorari by Karavan Trailers, Inc.
Permission to file received from both parties.

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Interest of the *Amicus Curiae*

Malla Pollack ("Pollack"), *amicus curiae*, has no direct or indirect financial interest in the outcome of this litigation.[1] Pollack's sole interest in this case is to encourage the proper protection of the currently endangered public domain. *See, e.g.*, David Lange, *Recognizing the Public Domain*, 44 (no. 4) Law & Contemp. Probs. 147, 176 (1981) (in view of collective action problems, requesting courts to appoint *guardians ad litem* for the public domain in intellectual property cases or, at the least, to welcome *amicus* participation). Both parties have given permission for Pollack to file this *amicus* submission. Copies of the permission letters are attached to the proof of service submitted to the Clerk.

Summary of Argument

This Court should grant *certiorari* on Petitioner's First Question[2]

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[1]The printing of this *amicus* filing was paid for by Malla Pollack personally with the help of her faculty allowances as a visiting associate professor at Florida State University, College of Law and as an associate professor at Florida Coastal School of Law.

[2] "Does patent law preempt trade dress remedies under the Lanham Act and state law trademark and unfair competition remedies for a patent

because of the important constitutional issue decided by the Federal Circuit in disregard of this Court's opinions. U.S. Sp. Ct. R. 10(c). In *Kellogg Co. v. National Biscuit Co.*, 305 U.S. 111 (1938), this Court set out the constitutional requirement that all matter in a patent must enter the public domain at the end of the patent monopoly. While the circuits are split on the exact standard to use when a patentee attempts to bypass this requirement through trade dress/trademark, U.S. Sp. Ct. R. 10(a), all seem to have lost sight of the simple constitutional proposition that all parts of the monopoly become public. Someone does not need to show commercial need in order to use this public domain material. In light of the growing importance of product configuration trade dress/trade mark protection and the Federal Circuit's nationwide jurisdiction, this Court should grant *certiorari* in this case and clarify the simple constitutional principle involved.

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holder where the product configuration at issue is claimed in a utility patent." Petition at i.

Argument:

Certiorari Is Appropriate Because Of A Circuit Split Where Both Sides Misread This Court's Constitutional Doctrine

This Court should grant *certiorari* because the Federal Circuit's error is an error of constitutional dimension – as well as part of a circuit split and a major misreading of this Court's precedent. U.S. Sp. Ct. R. 10(a),(c). Since Petitioner has amply discussed the disagreement between the Federal Circuit in this case and the Tenth Circuit in *Vornado Air Circulation Sys., Inc.* 58 F.3d 1498 (10th Cir. 1995), *cert. denied*, 116 S. Ct. 753 (1996), this *amicus* filing will discuss only the circuits' constitutional important misreading of Supreme Court precedent.

The Intellectual Property Clause of the United States Constitution grants Congress the power:

> To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries ...[3]

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[3] U.S. Const. Art. I, sec. 8, cl. 8 ("the Intellectual Property Clause").

This clause is formulated to both grant powers and to deny others. *See Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 146 (1989)("both a grant of power and certain limitations"; "Congress may not create patent monopolies of unlimited duration" or allow removal of material from the public domain); *Graham v. John Deere Co.*, 383 U.S. 1, 5 (1966)("both a power and a limitation"); I William Winslow Crosskey, POLITICS AND THE CONSTITUTION 486 (1953)(same). Congress has only the powers granted by the Constitution. It cannot go further. *See United States v. Lopez*, 514 U.S. 549, 552 (1995) ("The Constitution creates a Federal Government of enumerated powers."). Congress may not use the generalized grant of power in the Commerce Clause, U.S. Const. Art. I, sec. 8, cl. 3, to bypass a limitation in a more targeted power. *See Railway Labor Executives' Ass'n v. Gibbons*, 455 U.S. 457, 471 (1982) (Congress may not bypass the "uniformity" requirement in the Bankruptcy Clause by appealing to the Commerce Clause).

The Intellectual Property Clause expressly limits Congressional grants to "exclusive right[s]" which both last for "limited times" and "promote the

progress of science and useful arts." Once the limited time of the constitutionally allowed grant has expired, the patentee must pay the price — all the content of the patent belongs to the public. *See Kellogg*, 305 U.S. at 116 ("there passed to the public upon expiration of the [utility] patent . . . the right to make the article as it was made during the patent period"); *Singer Mfg. Co. v. June Mfg. Co.*, 163 U.S. 169, 185 (1896) ("It is self-evident that on the expiration of a[n utility] patent the monopoly created by it ceases to exist, and the right to make the thing formerly covered by the patent becomes public property."); *Coats v. Merrick Thread Co.*, 149 U.S. 562, 571 (1893)(same for design patent). A patent is granted "upon this condition," *Singer*, 163 U.S. at 185, which is constitutional – "limited times," "to promote the progress of science and the useful arts," U.S. Const. Art. I, sec. 8, cl. 3; *see also Bonito Boats*, 489 U.S. at 977-78 ("[T]he ultimate goal of the patent system is to bring new designs and technologies into the public domain through disclosure.").

The cost charged for a patent includes any good will inherent in the article itself:

> Kellogg Company is undoubtedly sharing in the goodwill of the article known as "Shredded Wheat"; and thus is sharing in a market which was created by the skill and judgment [and investment of plaintiff.] . . . But that is not unfair. [It] is the exercise of a right possessed by all –and in the free exercise of which the consuming public is deeply interested.

Kellogg, 305 U.S. at 122.

The same limitation is imposed on the states both by congressional field preemption, *see Bonito Boats*, 489 U.S. at 152 ("Where the public has paid the congressionally mandated price for disclosure, the States may not render the exchange fruitless by offering patent-like protection to the subject matter of the expired patent."), and by the dormant Intellectual Property Clause. *See Goldstein v. California*, 412 U.S. 546, 558 (1973); Malla Pollack, *Unconstitutional Incontestability*, 18 Seattle Univ. L. Rev. 259, 300-326 (1995). *Accord Bonito Boats*, 489 U.S. at 153 ("the federal policy, found in Art. I, § 8, cl. 8, of the Constitution and in the implementing federal statutes, of allowing free access to copy whatever the federal patent and copyright laws leave in the public domain")(quoting *Compco Corp. v. Day-Bright Lighting, Inc.*, 376 U.S. 234, 237 (1964)).

The Federal Circuit has confused this basic constitutional requirement

with the merely common law and statutory doctrines of verbal trade marks. The Federal Circuit did not recognize that Congress is constitutionally limited from writing the Lanham Act, 15 U.S.C. §§ 101 *et. seq.*, to bypass constitutional limits. The Lanham Act itself is not unconstitutional; the Federal Circuit has misread the statute.

The Federal Circuit refused to allow Karavan Trailers, Inc. (hereinafter "Karavan") to make the product covered by an expired patent without a heavy showing. This burden on access by a member of the public to material purchased (at the price of a monopoly patent) by the public is unconstitutional. The only acceptable price that any member of the public can be charged for duplicating a formerly-patented product is a label reasonably identifying that member of the public as the product's current source. *See Kellogg*, 305 U.S. at 119 (former patentee may only require others to "use reasonable care to inform the public of the source of [their competing] product[s].").

The Federal Circuit wanted Karavan to demonstrate that it could not compete economically without an element claimed in Midwest Industries,

Inc.'s expired patent. *Midwest Industries, Inc. v. Karavan Trailers, Inc.*, 175 F.3d 1356, 1364-65 (Fed. Cir.1999), *petition for cert. filed* Sept. 21, 1999 (this case). But this trademark doctrine of "functionality" should not be relevant as to material which was protected by a patent.

A patent is a bargain. No one obtains a patent without affirmatively requesting one. A patentee is not required to show commercial value in order to obtain a patent. The patentee is not required to include unnecessary material in the patent application. At any time during the application process, if the applicant dislikes the bargain offered by the Patent and Trademark Office, the applicant can withdraw the pending application. The holder of a patent, therefore, should not be allowed to begin by enjoying a patent and end by claiming (only after consuming the full benefit of the patent term) that the subject matter was not sufficiently valuable to render return performance mandatory. Beside the constitutional dimension, such behavior is inequitable and in conflict with black letter contract principles.

Kellogg, indeed, goes much further than the language used in *Vornado*, 58 F.3d at 1510 (at expiration of patent term, material enters the public

domain if it is "part of a claim in a utility patent" or a "significant inventive aspect"), let alone the economic need required by the Federal Circuit in this case. The *Kellogg* Court rested on Perky's utility patent No. 548,086 ('086 Patent)(separately bound Appendix to this *amicus* filing). *Kellogg*, 305 U.S. at 112. The '086 Patent, however, does not claim a pillow shaped food item. '086 at p.2, ll.20-42 ("I claim .... "); Ap. at A2. The descriptive section of Patent '086 asserts that the food product being claimed "can be shaped for baking in various ways." *See* '086 Patent, at p.1, l.98, Ap. at A1. Yet the pillow shape was held dedicated to the public because this was how the article had been "made during the patent period."[4] *Kellogg*, 305 U.S. at 118. "Functionality," in the trademark sense of affecting cost and quality, was a mere secondary reason for non-protection. *Id.* at 122. A reason, furthermore, on which the Court was handling strongly disputed facts. *Compare* Brief for Petitioner at 57-66, 108-12, *Kellogg Co. v. National Biscuit Co.*, 305 U.S. 111 (1938)(Nos. 2 & 56) (arguing form is functional)

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[4] The pillow shape was covered by an earlier invalidated design patent. The design patent seems irrelevant to the Supreme Court decision. *See Kellogg*, 305 U.S. at 119 n.4.

functional) *with* Brief for Respondent at 19-32, 40-41, *Kellogg*, 305 U.S. 111.

Presumably, the Federal Circuit is following modern law and economics theories. The Constitution, however, does not enact modern law and economics anymore than it does Herbert Spencer's Social Statistics. *Cf. College Sav. Bank v. Florida Prepaid Postsecondary Edu. Expense Bd.*, 119 S. Ct. 2219, 2233 (1999)(point of Justice Holmes' dissent in *Lochner* is that majority incorrectly "sought to impose a particular economic philosophy upon the Constitution")(referring to *Lochner v. New York*, 198 U.S. 45, 75 (1905)(Holmes, J., dissenting)).

Regardless of the economic necessity for any other member of the public to use any specific element of an article formerly protected by patent, every member of the public has the right to use every element of every expired patent provided only that the product be clearly labeled as to source. The right is granted by the Constitution. The Federal Circuit cannot deny it.

When *Kellogg* was decided, the dedication of the word mark ('shredded wheat") was the more disputed issue. The public availability of the product shape was

deemed "self-evident." *Singer Mfg. Co.*, 163 U.S. at 185. Since then, vendors have more forcefully attempted to appropriate for themselves the physical characteristics of their products -- an attempt this Court has beaten off to some degree. *See Bonito Boats*, 489 U.S. at 167-68 (state statute protecting unpatented boat hulls is preempted). *But see* Pub. L. No. 105-304, 112 Stat. 2905 (Oct. 28, 1998) (codified at 17 U.S.C. §§ 1301-1332)(creating federal copyright protection for unpatented boat hulls). Congress has also responded somewhat by clarifying that functionality is a defense to alleged infringement of an incontestible trade mark in a product configuration. *See* Pub. L. No. 105-330 (Oct. 30, 1998)(codified at 15 U.S.C. § 1052(e)), *legislatively overruling Shakespeare Co. v. Silstar Corp.*, 9 F.3d 1091 (4th Cir. 1993)(because not mentioned in the statute, functionally is not a defense to alleged infringement of an incontestible trade mark), *cert. denied*, 114 S. Ct. 2134 (1994).

In light of the growing importance of trade dress/trademark claims on product configurations and the Federal Circuit's nationwide jurisdiction, this Court should grant *certiorari* and reiterate the constitutional teachings of

this Court should grant *certiorari* and reiterate the constitutional teachings of *Kellogg*, 305 U.S. at 116. At the end of every patent grant, all the content of that grant is dedicated to the public (perhaps including the unpatented details of the product as marketed). The beneficiary of a patent may not renege on its bargain after accepting the monopoly benefits of that constitutionally limited "contract." Whether economically efficient or not, this bargain is mandated by the Constitution.

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Conclusion

For the reasons discussed above, this Court should grant *certiorari* in *Midwest Industries, Inc. v. Karavan Trailers, Inc.*, 175 F.3d 1356 (Fed. Cir. 1999), on the First Question presented by Petitioner Karavan Trailers, Inc.

Respectfully submitted: October 15, 1999.

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